



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

MARY A. LANNOYE
DIRECTOR

April 12, 2006

MEMORANDUM

TO: Chief Financial Officers' Council

Mitchell Bean	Joseph Pavona
Dan Bojalad	Allan Pohl
David Bruce	Margery Reh
Julie Croll	James Selleck
Dennis Fedewa	John Sorbet
Mark Freeman	E. Ronald Stadnika
Michael Gilliland	Denis Sullivan
Christine Hammond	Karen Tarrant
Ellen Jeffries	Ed Timpf
James Kasprzak	Carol Vargovich
Tricia Keith	Thomas Warner
Janet Laverty	Barry Wickman
Nick Lyon	Carol Wolenberg
Jerri McClure	Joel Wortley
Minesh Mody	

FROM:  Michael J. Moody, Director
Office of Financial Management

SUBJECT: Confirmation of the Next Meeting Date and Time and the Draft
Summary from the January 26, 2006 Council Meeting

I am writing to confirm that the next Chief Financial Officers' Council meeting will be held on Thursday, April 20, 2006, 10:00 a.m., in the Michigan Room, First Floor, Romney Building.

The agenda and a summary of the last meeting are attached. I look forward to seeing you on the 20th.

Attachment

cc: N. Duncan	Joe Frick	S. Callahan
OFM Directors	Mary MacDowell	D. Quigley
J. Brandell	P. Giron	L. Blundy

**State of Michigan
Chief Financial Officers' Council
April 20, 2006 Meeting
Agenda**

- I. (10:00 a.m.) **Welcome, Opening Remarks, Review of Prior Meeting Summary**
Mike Moody, Director, Office of Financial Management
- II. (10:10 a.m.) **Briefings and Reports to CFOs**
 - A. OFM – Accounting and Financial Reporting Division Update
Laura Mester
(10 minutes)
 - B. OFM – Payroll and Tax Reporting Division Update
Ruth Mealy
(10 minutes)
 - C. OFM – Support Services Division Update
Doug Ringler
(10 minutes)
- III. (10:40 a.m.) **CFO Member Roundtable Discussion**

Adjourn – no later than 12:00 p.m.

**Next Meeting: Thursday, July 13, 2006, The Michigan Room, 1st Floor
Romney Building**

**STATE OF MICHIGAN
CHIEF FINANCIAL OFFICERS' COUNCIL
Summary of January 26, 2006 Meeting**

The first meeting of the Chief Financial Officers' (CFO) Council for calendar year 2006 was held at 10:00 a.m., Thursday, January 26, 2006, in the Michigan Room, Romney Building.

CFO Council members in attendance

James Selleck – Attorney General
Carol Vargovich – Civil Service
Barry Wickman – Corrections
James Kasprzak – Environmental Quality
Janet Laverty – History, Arts & Libraries

John Sorbet – Human Services
Allan Pohl – Labor and Economic Growth
Minesh Mody – MI Economic Dev. Corp.
Joseph Pavona – State

Other attendees:

Deb Laverty – Agriculture
Raj Mehta – Civil Rights
Craig Thurman – Education
Richard Child – House Fiscal Agency
Lorie Blundy – Legislative Ret. System
Dave Quigley – DMB, Financial Services
Joe Frick – Natural Resources

Ruth Mealy – OFM
Laura Mester – OFM
Michael Moody – OFM
Doug Ringler – OFM
Melanie Oudsema – State Police
Patrick McCarthy – Transportation
Palmer Giron – Treasury

Mike Moody, Director of the Office of Financial Management (OFM) and Chair of the Council, welcomed the group. Mike introduced Lorie Blundy representing the Legislative Retirement System, Patrick McCarthy of Transportation, Richard Child of the House Fiscal Agency, and Melanie Oudsema of State Police. Michael Gilliland will be the interim Chief Financial Officer until the end of the fiscal year for Management and Budget, replacing Howard Pizzo who will be retiring in late February. There were no changes or additions to the agenda. The draft summary of the October 20, 2005 meeting was approved as written.

Mike thanked everyone for the effort and hard work put into the CAFR. The close went smoothly and OFM is interested in any suggestions for ways to make this process easier. The Popular Report or Michigan Financial Focus, will be discontinued this year. In its place, we will have FAQs regarding Michigan's finances on our web site, which we hope to have available by the end of February. OFM has been discussing the MAIN Feasibility Study with DIT. We will first be identifying the

areas of MAIN that are not meeting our expectations and will then address the strategies for moving forward.

BRIEFINGS AND REPORTS TO CFOs

OFM Accounting and Financial Reporting Division Update

Laura Mester, AFR Director, reported that the Financial Management User Group met and discussed the barriers to the close, such as the timing of billings and payments and the impact these have on other agencies and also agencies that might control other agencies' activities. A workgroup that would discuss the dynamics of billings may be considered.

GASB implementation will take place this year. AFR is also working with DMB and the Office of Retirement Services on OPEB, which is more of a reporting issue than budgetary.

Ongoing projects:

- Feasibility of converting warrants to EFT with regard to Public Act 533, allowing side door interfaces with vendors who are on our vendor file to receive EFTs; and
- Review of social security number security measures for the vendor file and MAIN FACS to ensure we comply with privacy acts.

AFR is proposing five cost-cutting measures. 1) Working with agencies to reduce the number of reports that are run by meeting with Chief Accountants and report coordinators on the RMDS reports. 2) MIDB retention for storage. Obtain input from agencies on how long they want to retain their information in MIDB. 3) Online availability. Considering making MAIN FACS available from 8:00 to 5:00 Mondays through Fridays and no Saturdays (until we approach year-end close). 4) Old FACS agencies will be purged from the system. 5) Automation of financial table rollover processes.

Work continues on the SOM Financial Management Guide.

OFM Payroll and Tax Reporting Division Update

Ruth Mealy, PTR Director, reported all W-2s and 1099s were issued.

Quarterly reminders will be sent to Human Resources Directors regarding Public Act 533 for non-classified employees not signed up for EFT.

The enhanced payroll audit report was moved to the payroll environment. Staff is working on this as it related to the Payroll Clearing Fund and information will follow once we know the results.

W4s for federal and state taxes will be updatable electronically. It is in the final stages of testing now and once completed, communication will go out to the Human Resources Directors.

The feasibility study for the Time and Expense project has been conducted and requests for information received. The costs were higher than we had hoped. We will now be identifying short-term and long-term alternatives, one being a new release of DCDS.

OFM Support Services Division Update

Doug Ringler, SSD Director, reported on GASB 44. Their goal is to compile a laundry list of suggestions and obtain more details about the indicators. The deadline is mid-February.

The first update to the vendor portion of Public Act 533 will be completed in a couple of weeks. This will be monitored on a quarterly basis.

The internal control evaluation review has been completed. SMAA will meet with agencies again to share what we found in our visits. A summary report is being compiled which will identify the good practices and any areas where improvement may be needed.

CFO Member Roundtable Discussion

Discussion was held on the Social Security Protection Act and its requirements. Some agency accountants are concerned with which documents may or may not apply in the audits performed by Office of the Auditor General. The auditors have the legal right to see any documents. One solution would be to have the auditors sign a confidentiality agreement.

Janet Laverty distributed a brochure on the Administrative Officers Association 2006 Conference scheduled for February 22. Deadline for early registration is January 27.

The meeting adjourned at 10:45 a.m.

Next meeting: Thursday, April 20, 2006 – 10:00 a.m.
The Michigan Room, 1st Floor, Romney Building

Handouts at the January 26, 2006 meeting:

- “Leadership Through Tough Times”, AOA 2006 Conference Registration Form

If you would like to receive a copy of the handouts from this meeting, please call Adel Beachnau at 517-373-1010.

Summary prepared by:

Adel Beachnau, Council Secretary